

BUMEDINST 4200.3
BUMED-91
22 May 97

BUMED INSTRUCTION 4200.3

From: Chief, Bureau of Medicine and Surgery
To: All Internal BUMED Codes

Subj: GOVERNMENTWIDE COMMERCIAL PURCHASE CARD (GCPC) PROGRAM

Ref: (a) Federal Acquisition Regulation (FAR)
(b) Defense Federal Acquisition Regulation Supplement (DFAS)
(c) Navy Acquisition Procedures Supplement
(d) NAVSUPINST 4200.85C
(e) NAVSUPINST 4200.91
(f) NAFC ltr 7000/20 NAFC-54A of 22 Dec 89
(g) General Services Administration (GSA) Government-wide Commercial Credit Card Service Contract Guide
(h) SECNAVINST 5231.1

1. Purpose. To establish procedures, responsibilities, and guidance following references (a) through (h) regarding using the GCPC to procure purchases at or below \$2,500. For purposes of this instruction, the phrase purchase card is synonymous with credit card and I.M.P.A.C. (International Merchant Purchase Authorization Card).

2. Background

a. The GSA has a contract for Governmentwide commercial credit card services with Rocky Mountain BankCard System, Inc. (RMBCS) that authorizes the bank to issue commercial purchase cards (e.g., VISA) to authorized Government personnel to use for official Government purchases. The commercial purchase card will streamline payment procedures and reduce the administrative burden associated with tradition and emergency purchasing of supplies and services under the current simplified acquisition procedures. The contract authorizes the use of the program by any activity delegated contracting authority for such use.

b. Public Law 103-355, The Federal Acquisition Streamlining Act of 1994, authorizes the use of the GCPC.

c. The Naval Supply Systems Command (NAVSUPSYSCOM) has Navy-wide responsibility for GCPC Program policy.

3. Definitions

a. Agency Program Coordinator (APC). The APC is the primary liaison between the activity and the bank and shall have overall responsibility to manage, administer, the day-to-day operations of the GCPC Program. The APC is authorized to appoint

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approving officials, approve the selection of cardholders, and delegate contracting authority to cardholders. MED-91 is BUMED's APC.

b. Approving official (AO) is the cardholders' immediate supervisor or a higher-level official. The AO is a critical checkpoint, responsible for, at a minimum, reviewing the cardholders' monthly statements and verifying that all purchases were necessary for official Government purposes and made following applicable directives. The AO shall initiate administrative and disciplinary procedures for misuse of the card.

c. Cardholder. Any individual designated by BUMED to whom a purchase card is issued. The card bears the individual's name and shall only be used by this individual to pay for official Government purchases. A cardholder cannot be his or her own approving official or the approving official for his or her supervisor.

d. Commonly Used Hazardous Materials. For purposes of this instruction, "commonly used" refers to hazardous materials or products that are customarily sold to the general public to be used for nongovernmental purposes. Such materials or products include those required on a routine basis to meet daily operational needs; such as, lubricants, batteries, toner cartridges, detergents, etc.

e. Billing Cycle Purchase Limit. The spending limit imposed on a cardholder's cumulative purchases in a monthly billing cycle. Purchase cards spending limits must not exceed \$2,500 per 30-day period nor exceed \$2,500 for a single purchase.

f. Cardholder's Statement of Account. Within 5 working days after the end of each monthly billing cycle, the bank will send each cardholder a statement of account which lists all transactions made during the current billing cycle.

g. Designated Billing Office. The office and point of contact to receive the official invoice and, in some instances, make payments against the official invoice. MED-915 is BUMED's designated billing office.

h. Dispute Office. The office and point of contact to assist the bank in tracking and resolving dispute purchases or transactions. A "dispute" is a disagreement between the cardholder and the bank regarding items appearing on the cardholder's monthly statement of account. MED-915 is BUMED's dispute office.

i. Merchant Activity Code. The bank shall categorize each merchant according to the type of business the merchant is engaged in and the kinds of goods and services provided. The bank shall assign to each merchant a corresponding merchant type code. These codes shall be used as an authorized activity type code on an individual's card to identify those merchants who provide goods or services that are unauthorized for that cardholder.

j. Merchant Type Code. The code assigned by the bank which categorizes each merchant according to the type of business the merchant is engaged in and the kinds of goods and services provided. Each cardholder's account shall be coded to identify the types of merchants from which the cardholder is authorized to purchase.

k. Micro-Purchase. For purposes of this instruction a micro-purchase is an acquisition of supplies, the aggregate amount of which does not exceed \$2,500.

l. Monthly Billing Office Report. A consolidated report sent to BUMED's billing office at the end of the monthly billing cycle. The report includes a summary of charges by each AO for all his or her cardholders and may include information as appropriate on the summary total of each cardholder's statement. This report is the official invoice for payment purposes. All invoices are subject to the Prompt Payment Act.

m. Services. A service is any nonpersonal, commercial activity. This definition does not include repair services when the acquisition cost of the item being repaired exceeds \$100,000.

n. Transaction Type. The transaction type is the method in which an order is placed with the purchase card. Purchase card buys may be made over-the-counter or by telephone.

(1) Over-the-Counter. When the cardholder goes to the merchant's place of business to make the purchase and the supplies are immediately available.

(2) Over-the-Telephone. When the cardholder places orders by telephone and the contractor delivers the supplies to the activity or Government pickup is authorized.

4. Training. Before issuance of a purchase card, all prospective cardholders must receive bank card orientation. The APC or alternate shall provide information and basic instructions on how to use the card and internal operating procedures provided by the bank. Refresher training is required at least every 3 years for cardholders. In addition, the APC or alternate and prospective cardholders must successfully complete at least one of the following:

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a. Naval Supply (NAVSUP) System Command Commercial Purchase Card Course of Micro-purchasers.

b. A cognizant HCA approved purchase card course that contains the minimum requirements/curricula covered in the NAVSUP Commercial Purchase Card Course for Micro-Purchasers.

c. NAVSUP Simplified Acquisition Procedures Course.

5. Restrictions on the Use of the Purchase Card. Per the GSA contract guide, the purchase card shall not be used for the following items:

a. Cash advances (not permitted under any circumstances).

b. When a bilateral purchase order is required, (e.g., foreign military sales, classified requirements).

c. Rental or lease of land or buildings.

d. Telecommunications (telephone) services (i.e., major systems such as FTS 2000, Defense Switched Network, or base telephone systems). This restriction does not include short term services (i.e., rental of beepers, telephones moves, etc.) (See reference (h) for additional guidance.)

e. Services (purchase card shall be used for supplies only).

f. Rental or lease of motor vehicles, whether or not on official travel.

g. Rental or leases over 30 days in duration (e.g., annual or multiyear agreements).

h. Expenses associated with official travel including transportation, lodging, or meals. (This prohibition does not include requirements such as conference room rental.)

i. Gasoline or oil for Navy-owned aircraft, vessels, and vehicles unless the requirement falls within the following criteria: continental United States (CONUS)/Alaska locations - less than 10,000 gallons required annually and overseas/Hawaii - less than 20,000 gallons required annually.

j. Repair of GSA-leased vehicles.

k. Hazardous materials (HAZMAT) (except commonly used hazardous materials; commonly used HAZMAT refers to HAZMAT or products that are customarily sold to the general public to be used for nongovernmental purposes. Such materials or products include those required on a routine basis to meet daily operational needs: such as lubricants, batteries, toner cartridges, detergents, etc.)

(1) The cardholder must comply with established local base or activity procedures for the procurement and use of HAZMAT. Such procedures shall at a minimum, require screening the requested material against the activity's authorized use list and approval by the designated HAZMAT official of a contractor-provided material safety data sheet.

(2) Obtain preaward approval by submitting a copy of a current contractor-provided MSDS along with the purchase request to the designated HAZMAT official.

(3) If the HAZMAT official approves the purchase, instruct the vendor that changes in the material approved under this purchase is not permitted and the shipping container must be labeled following directions in the Hazard Communication Standard (29 CFR 1910.1200 et. seq).

l. Naval Facilities Engineering Command (NAVFAC) cognizant services (e.g., construction, architectural and engineering services, facility support).

m. Unpriced services unless the cardholder can establish a ceiling price that will not be exceeded by the contractor. This authority is limited to services in which commercial practice sets market prices for services, and those market prices are identified in the cardholder's documentation along with the ceiling price established.

n. Purchase that requires Federal or military specifications.

o. Except as discussed above, the purchase card may be used for all micro-purchases that do not require a written purchase order. Requirements that would require a written purchase order would include safety/safety of flight, configuration control, weapon system-related parts, foreign military sales, rental and lease of vehicles, and classified requirements. (See reference (d) for items that require special attention.)

6. Policy

a. Cardholders shall use the purchase card to purchase supplies and services when authorized following reference (a), part 13 and references (b) through (h). It may also be used as a payment method in conjunction with other procurement methods when authorized in the order, contract, or agreement. The card may also be used to order directly from Government required sources (i.e., GSA stock, etc). Without exception, the I.M.P.A.C. may be used only for authorized Government purchases.

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b. Purchase cards spending limits will not exceed \$2,500 per 30 day period nor exceed \$2,500 for a single purchase.

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Available at:
<http://support1.med.navy.mil/bumed/instruct/external/external.htm>